



SwissLife
Asset Managers

Active Stewardship Report for Securities 2022

July 2023

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Introduction

Swiss Life Asset Managers' Active Stewardship Report for Securities 2022 (the "Report") represents a consolidated overview of the active stewardship approach and activities for all our investments in securities such as equities, bonds, and money market instruments, a journey we first reported on in 2021¹.

As we state in our most recent Responsible Investment Report², 2022 was a year of multiple challenges, and these "events have not only challenged investment markets but have also posed questions about the pace of the net-zero economy transition".

Despite those challenges, we remained firm in our voting activities and even increased our attendance at annual general meetings (AGMs) in 2022, which we detail in this Report. In 2022 we became a signatory of the Net Zero Asset Managers initiative (NZAM) and continued our engagement with data providers and our plan to set up engagement activities with universities in relation to environmental, social and governance (ESG) issues affecting our investments in securities, which we include for the first time in this year's Report.

Our corporate dialogue activities in 2022 were more limited compared to the previous year, mainly because our internal resources were committed to building a more robust active stewardship framework. In line with this, in 2022 we created a dedicated Engagement & Stewardship team, hired the Head of that team, and worked on the governance by setting up our Securities Engagement Committee. Nevertheless, in 2022 we still ensured that the essential corporate dialogue on ESG issues was conducted, which is described in this Report.

Finally, in this year's Report we present our outlook in relation to Swiss Life Asset Managers' active stewardship strategy for securities, which is in line with our belief that active stewardship on ESG topics is a powerful tool to encourage companies to develop more sustainable business practices and to contribute to a better society.

¹ Please refer to our Active Stewardship Report for Securities 2021 for more information on our first report, which is available under the link in Appendix 1 of this Report.

² Please refer to our Responsible Investment Report 2022 for more details, which is available under the link in Appendix 1 of this Report.

1 Approach and strategy

Alongside fiduciary duty and intergenerational responsibility, active stewardship is a core thrust of Swiss Life Asset Managers and one of the five pillars of our defined responsible investment approach³.

Active stewardship for securities at Swiss Life Asset Managers encompasses the exercise of voting rights (i.e., “voting or proxy-voting activities”) and “engagement activities”, which include engagement with companies (i.e., “company or corporate engagement”) as well as with other stakeholders such as data providers, industry and sustainability associations, collaborative initiatives, universities, etc. (i.e., “other engagements or engagement with other stakeholders”). While the voting activities can be exercised only with equity holdings, engagement is a relevant stewardship tool for all securities. Ultimately, through our voting and engagement activities we actively work with companies and relevant stakeholders to address ESG challenges while safeguarding the financial interests of our clients.

The following are the principles which guide our active stewardship activities, and which apply to all our asset classes, including securities⁴:

- Voting and engagement activities aim to preserve and enhance the security and long-term value of investments. We support activities that enhance shareholder rights, promote transparency, help reduce the effects of climate change or improve overall sustainable performance while safeguarding the financial interests of our clients and investors. Participation in external collaboration platforms strengthens our capacity for engagement.
- Voting and engagement activities should not result in undue costs, direct costs or asset impairments. We follow best practice recommendations such as the Global Stewardship Principles of the International Corporate Governance Network (ICGN) or the UN Principles for Responsible Investment (PRI).
- Swiss Life Asset Managers expects companies to respect the UN Guiding Principles on Business and Human Rights (UNGPs). In this respect, Swiss Life Asset Managers adheres to the International Bill of Human Rights and the core standards and principles of the International Labour Organization (ILO).

1.1 Voting activities

Our voting activities strategy and implementation are supported by internal processes and guidelines as well as publicly available voting policies which define the exercise of voting rights of our asset management companies. Swiss Life Asset Managers’ voting scope is currently based on quantitative or qualitative considerations, as detailed below:

- The shareholding value of a company is $\geq 2.0\%$ of the net asset value of the fund, or the participation of the fund in a company represents $\geq 0.5\%$ of the total issued shares; or
- At least one voting item is related to environmental or social issues on the agenda; or
- The company has a strategic relevance for us or our clients.

³ The other four pillars of our responsible investment approach are ESG data, sustainable assessment, sustainable product offering, and reporting. More detailed information on our responsible investment approach can be found in our Responsible Investment Policy, which is available under the link in Appendix 1 of this Report.

⁴ More detailed information can be found in our Engagement Policy (which is available under the link in Appendix 1 of this Report), including about other asset classes that are managed at Swiss Life Asset Managers, like real estate and infrastructure.

The assessment of the voting items is performed internally by our ESG specialists and considers the voting recommendations prepared by the service provider Institutional Shareholder Services (ISS) as well as additional research and recommendations from sources such as the UN PRI, Climate Action 100+ and the ESG ratings and controversies studies by data providers such as MSCI ESG.

1.2 Engagement activities

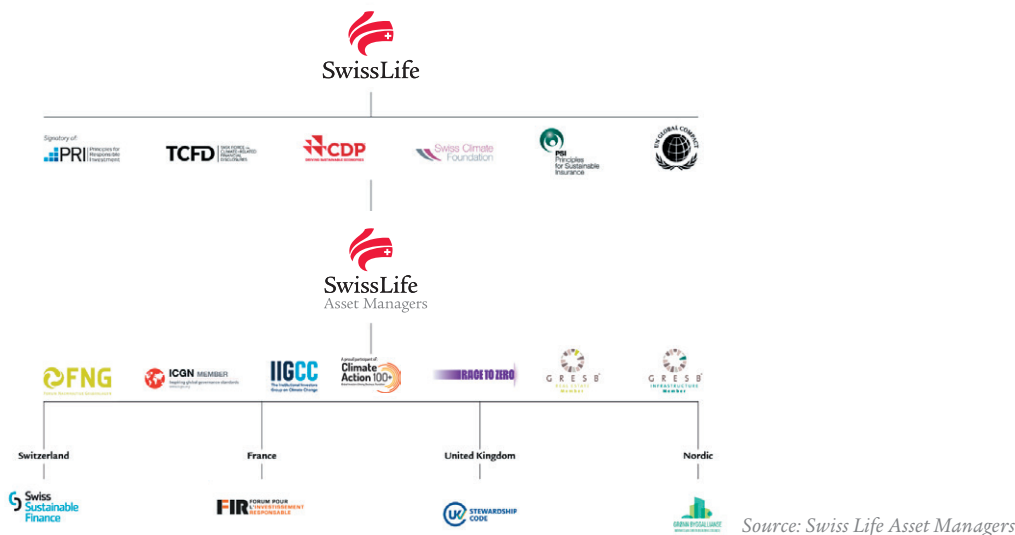
This year’s engagement activities with companies encompass mainly new engagements initiated this year. The company selection considered the materiality of both the ESG issues and the investment for Swiss Life Asset Managers.

The engagement activities with the selected companies were performed through corporate dialogues, meaning a one-to-one exchange with the goal of raising awareness on the sustainability challenges these companies may face, encouraging remediation actions or preventive measures, and finally considering the outcomes in our investment decisions.

In 2022, all engagement activities were performed in-house by Swiss Life Asset Managers teams and comprised a close collaboration between the ESG specialists and Portfolio Management. The ESG research in relation to the ESG issues was based on data providers and recommendations from major industry and sustainability organisations.

In addition to the one-to-one corporate dialogues, we continued our collaborative engagement activity under Climate Action 100+.

Furthermore, in 2022 we continued our engagement efforts with relevant industry and sustainability associations and became a member of the Net Zero Asset Managers initiative (NZAM), to promote investment measures that are aligned with the goal of net-zero greenhouse gas (GHG) emissions by 2050. This year’s memberships and/or participations are represented in the chart below:



Swiss Life Asset Managers appreciated the willingness of the companies that collaborated with open and constructive dialogues and consented to their names to be displayed in this Report under the engagement case studies described in section 2.1, as well as the ESG data providers MSCI and Bloomberg, and the researchers who worked in collaboration with us, as mentioned in section 2.2.

2 Report on engagement activities in 2022

2.1. Corporate engagements

In 2022, our engagement activities with companies that we were invested in on behalf of our clients, as bond- or equity holders, consisted mainly of individual (one-to-one) dialogues with selected listed companies⁵.

In addition to individual corporate dialogues, we continued our collaborative engagement initiated in 2021 with a company from the energy & utilities sector, as part of our participation in the ClimateAction 100+ initiative.

The table and charts below summarise our corporate engagement activities in 2022:

Overview of our 2022 individual corporate dialogues

Company	Year of initial engagement	ESG issue	Number of interactions
EDF (energy & utilities)	2022	Climate	1
PETRONAS (oil & gas)	2022	Climate & human rights	1
Volkswagen (automobile manufacturer)	2022	Human rights	2

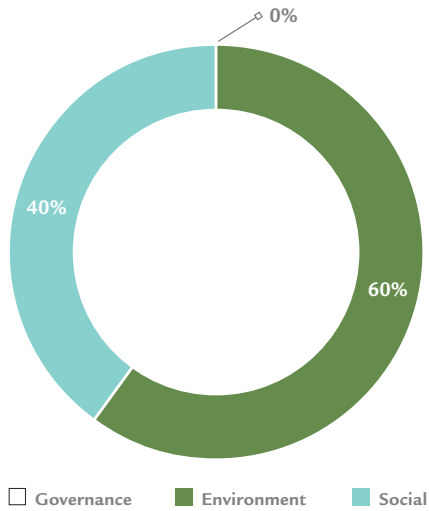
Our 2022 individual corporate dialogues and collaborative engagement activities covered 0.5%* of our total Assets under Management (AUM) in Securities.

**Based on data as of 30.12.2022, excluding indirect investments such as fund certificates.*

⁵ Please refer to section 1.2 above for more information on the approach to and strategy for the corporate engagement activities of this year.

Corporate individual and collaborative engagements by E, S and G pillar

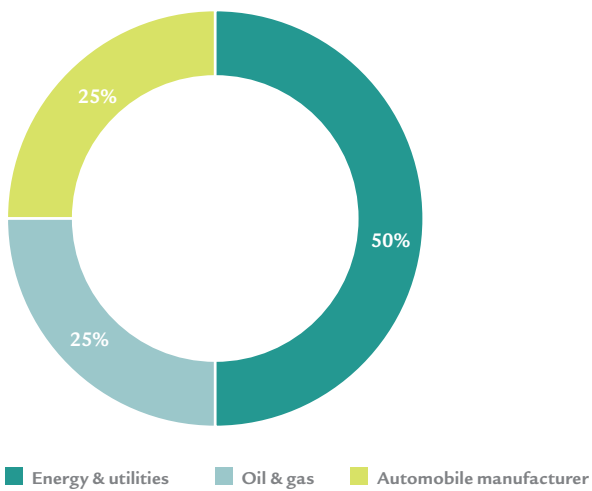
Corporate engagement by E, S and G pillar



Source: Swiss Life Asset Managers

Corporate individual and collaborative engagements by sector

Corporate engagement by sector



Source: Swiss Life Asset Managers

Case studies

Petroliam Nasional Berhad (PETRONAS)

PETRONAS is a Malaysian-headquartered, globally integrated energy group, with a presence in over 100 countries. While PETRONAS had its MSCI ESG rating upgraded in December 2021 from B to BB, in early 2022 the company still attracted attention due to its non-robust short-term targets for reaching its net-zero commitment by 2050 in its scope 1 and 2 emissions. In addition, according to the MSCI ESG Controversies report, since November 2020 the company has been rated with an “Orange Flag”, which reflects controversies on UN Global Compact principles due to significant human rights concerns related to alleged support for military forces responsible for human rights violations in Upper Nile, South Sudan.

With the objective of defining preventive measures to reduce financial and reputational risks derived from the mentioned “E” and “S” issues, we initiated a dialogue with PETRONAS in 2022. In a one-to-one call with PETRONAS’ representatives, the positive discussions helped us to understand the challenges they have faced and their efforts to tackle the issues addressed. For instance, on energy and climate change mitigation, PETRONAS shared their plans to disclose greenhouse gas (GHG) emissions targets to reach their net-zero ambitions and on renewable energy. As regards the human rights allegations, they shared their plan to update their human rights policy.

The initiation of this positive dialogue with PETRONAS provided us with additional insights into the company’s ESG strategy and efforts, which is important for further elaboration of our engagement plan with the company and key to our further investment decisions.

Volkswagen Aktiengesellschaft (Volkswagen)

Volkswagen is a German-headquartered, global automobile manufacturer. While its MSCI ESG ratings remained unchanged in 2022 (B-rated since April 2021), in November 2022 the MSCI ESG Controversies report downgraded the company to “Red Flag” based on allegations that the company has a direct role in employing Uyghur and other ethnic minorities at the SAIC Volkswagen (Xinjiang) Automotive plant. This MSCI ESG Controversy was initiated in April 2019 and was downgraded in 2022 to the “very severe” status (Red Flag), based on the extensive scale of impact and serious nature affecting minorities regarded as a vulnerable demographic. Because of MSCI ESG Controversies’ new rating, Volkswagen was in breach of Swiss Life Asset Managers’ ESG rule book, which defines our responsible investment approach for securities⁶.

Following additional internal research on the ESG-related issue and discussions between our ESG and Portfolio Management teams, it was decided that, based on the materiality of the ESG issue as well as the impact of MSCI ESG Controversies’ downgrade in our responsible investment approach, there was an urgent need to initiate a dialogue with the company. Therefore, still before end of 2022, we were able to hold two one-to-one calls with the company’s investor relations team, with the goal of initially understanding their view on the factual correctness of the information in the MSCI publication and on the downgrading of the MSCI ESG Controversies score on the allegations.

⁶ Please refer to our Responsible Investment Policy for more information on our ESG rule book.

These initial constructive discussions with Volkswagen's investor relations team helped us to understand the different aspects of the allegations and MSCI's downgrade, which ultimately enabled us to continue working on the engagement action plan with Volkswagen to be considered by our Securities Engagement Committee at the beginning of 2023.

Électricité de France (EDF)

EDF is a multinational energy utility group, fully owned by the French state. 90% of its production capacity comes from low-carbon technologies (nuclear, hydropower, wind, solar). The group serves more than 40 million customers worldwide. EDF is a large issuer of green bonds. Between 2013 and 2022, it issued around € 10 bn via these instruments to support its climate strategy.

At Swiss Life Asset Managers, we organised a virtual meeting with their investor relations and ESG teams in November 2022, in the context of our plan to increase investments in green bonds. Our intention was to discuss their new green bond framework that was published in July 2022. EDF explained its rationale for establishing a new version (increase of the scope of eligible project categories, alignment with the latest update of EDF's climate strategy and with market standards). EDF also described the main changes compared to the previous framework (addition of nuclear power generation and distribution of electricity to the scope of eligible projects, commitment to align the use of proceeds with the European Union Taxonomy, selection of a new second-party opinion provider). We stressed the need for investors to have quantitative impact indicators. We also discussed the importance of investors having some insight into the project categories which could be refinanced, before each new issuance, given the fact that the framework became broader.

The company also presented the results of the calculation they made regarding the eligibility and the alignment of their activities to the EU Taxonomy, ahead of the regulation deadline. We were interested in knowing if the company was able to assess the level of EU Taxonomy alignment of the projects that were financed through green bonds issued before the Taxonomy came into effect.

This dialogue helped us to understand the specific challenges that are faced by issuers when designing their green bond framework, and the level of transparency they can provide.

2.2 Engagement with other stakeholders

In addition to the above-mentioned corporate dialogues, in 2022 Swiss Life Asset Managers continued its engagements with ESG-related data providers with different objectives. For instance, we had exchanges with MSCI ESG, our major ESG data provider, to better understand their ESG rating and controversy methodology in relation to specific companies in our portfolio. These fruitful discussions helped us to obtain more insights into the ESG challenges faced by those companies, and ultimately, had an impact on both our engagement strategy for those companies and on our investment decisions. More specifically, our team also held constructive discussions with MSCI on climate models and climate rating enhancements, and direct exchanges with MSCI ESG analysts to improve database and data quality.

We also had close collaborations and exchanges with Bloomberg. We took part in their Taxonomy Working Group and with the presence of other investors we joined six online meetings on major topics varying from data feed of the taxonomy data, and how to assess reported data vs estimated data, to green bonds and their taxonomy-aligned revenues, among others. This allowed us to shape the methodology and the approach for assessing the taxonomy alignment of issuers to a certain extent.

As part of our engagement with other stakeholders in 2022, we met representatives of two trade unions which coordinated a multi-stakeholder engagement campaign in respect of a North American conglomerate operating in the mining, logistics and infrastructure industries. The campaign focused on the respect of labour rights, following several controversies in the conglomerate's operations in Latin America. We wanted to understand how cooperative the conglomerate was, and how stakeholders' views were considered during the campaign. Although the interaction was very fruitful, we decided not to join the campaign at that stage, to focus on other priorities, since our holdings in the conglomerate's bonds were divested over the period.

Moreover, in 2022 we worked on setting up engagement activities with universities. We started two research projects relevant to our investments in securities, one in collaboration with researchers from the University of Zurich and from the University of Erlangen-Nuremberg on the use of natural language processing to identify ESG leaders and laggards, and the second in collaboration with researchers of the University of Trier on behavioural economic approaches to increase investments in sustainable products. In collaboration with the Institute of Financial Services Zug of the Lucerne University of Applied Sciences and Arts (HSLU), we also organised a research roundtable on social aspects of the energy transition.

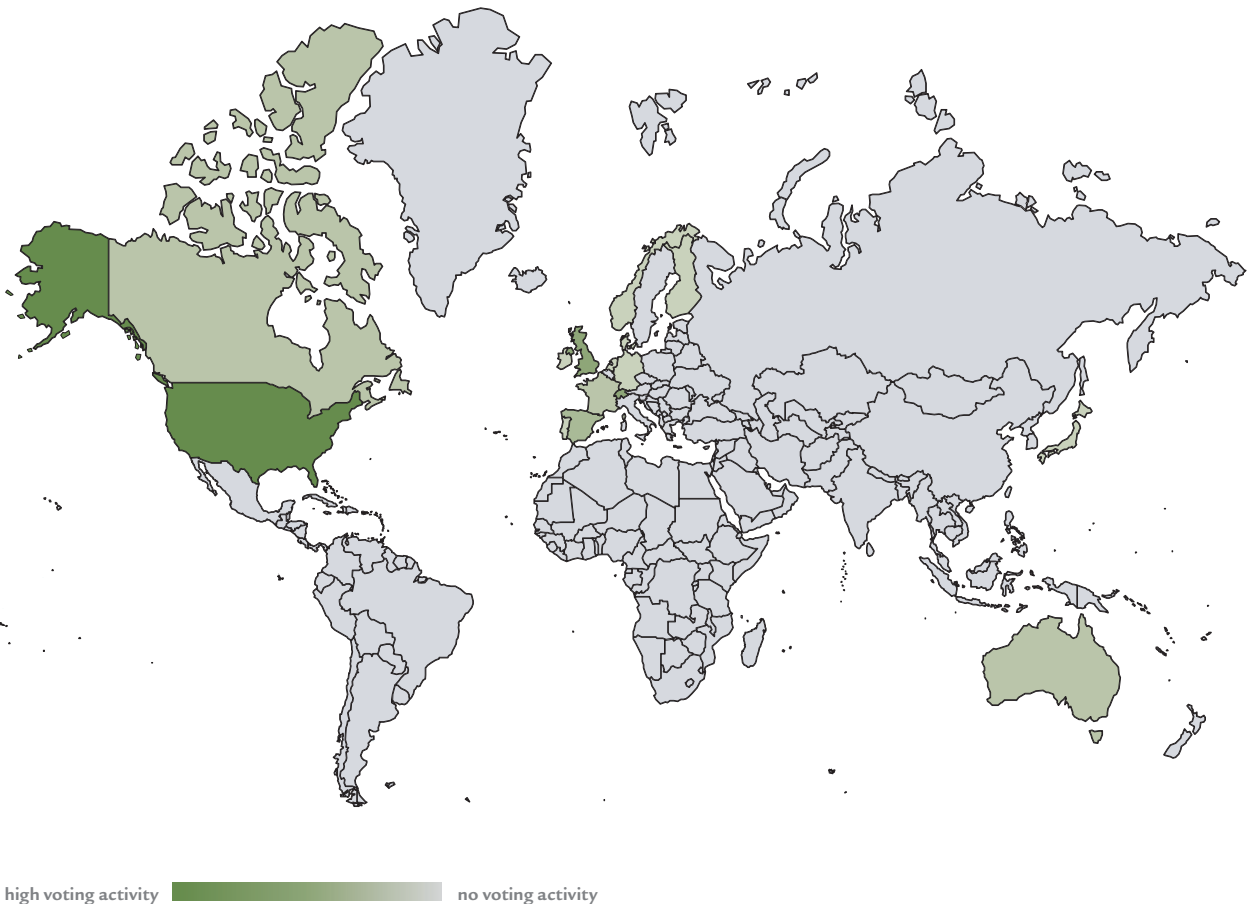
While we understand that the above-mentioned engagement activities with data providers, trade unions and researchers are not comparable with the effect of individual or collaborative corporate engagements, we are also convinced that such engagements are important complementary tools. They provide additional insights of ESG factors for us and encourage our data providers to continuously strengthen their methodologies, in the interest of our clients.

3 Report on proxy-voting activities in 2022

3.1 Key figures for proxy voting

During the 2022 financial year, Swiss Life Asset Managers voted at 301 general meetings corresponding to the criteria and scope defined by Swiss Life Asset Managers' voting policies. In addition to the overview presented in this Report, Swiss Life Asset Managers discloses its voting activity on its website using Vote Disclosure Services (VDS⁷) from ISS.

Geographic areas of Swiss Life Asset Managers' voting activities



Source: Swiss Life Asset Managers with voting data exported from ISS ProxyExchange

⁷ The link to which is available in Appendix 1 of this Report.

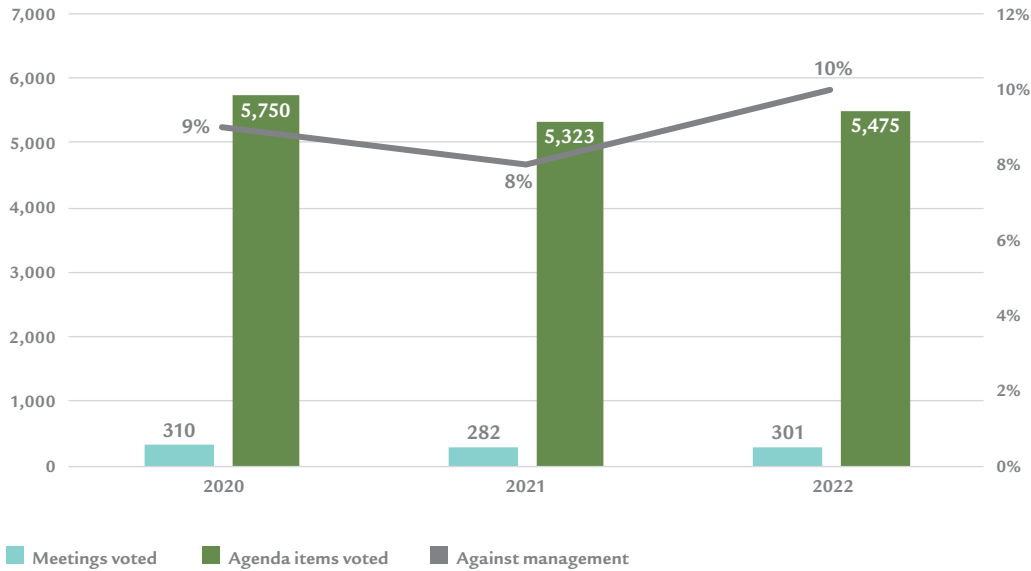
Geographic areas	Number of voted meetings
Australia	8
Canada	12
Denmark	4
Finland	6
France	14
Germany	4
Ireland	1
Japan	4
Jersey	2
Netherlands	3
Norway	1
Portugal	1
Spain	22
Switzerland	48
United Kingdom	64
USA	107
Total	301

Swiss Life Asset Managers' voting scope is greatly influenced by the prevalence of environmental and social proposals on the agendas of our investee companies. Therefore, we observed that we vote primarily in regions where submitting shareholder proposals is more common, such as the United States. In 2022, we voted at 19% of all voteable meetings (301 out of 1,609 meetings). As described in Swiss Life Asset Managers' voting policies, we vote mainly at annual general meetings (AGMs) where a certain volume threshold regarding our exposure is reached or if there is a predefined environmental or social topic on the agenda⁸.

⁸ Please refer to section 1 of this Report ("Approach and strategy"), or for more details to our publicly available voting policies (which are available under the link in Appendix 1 of this Report).

Historical development of voting activities at Swiss Life Asset Managers

Development of voting activities at Swiss Life Asset Managers



Compared to 2021, we increased the number of meetings where we voted from 282 to 301. In 2022, Swiss Life Asset Managers voted “against management”⁹ for 10% of all items, which is the highest share of “against management” votes since the implementation of our voting process in 2020.

⁹ Votes “against management” correspond to votes which do not follow the voting recommendation that was made by the management of companies holding their AGMs. They can cover resolutions that were submitted by the management of companies as well as resolutions that were filed by shareholders.

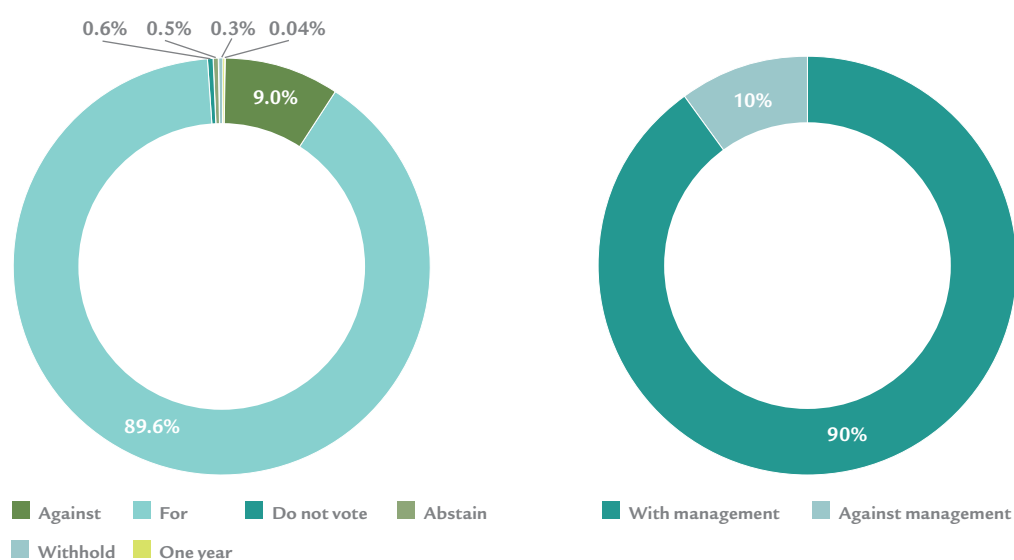
Breakdown of votes

Total number of agenda items on which Swiss Life Asset Managers voted in 2022: 5,475

Country	Voted agenda items	Against	For	Withhold	Abstain	Do not vote	One year ¹⁰	Against management	% of votes "against management"
Australia	81	14	67					5	6
Canada	205	21	183	1				9	4
Denmark	82	24	55		3			5	6
Finland	77	3	74					3	4
France	330	49	267			14		38	12
Germany	69		51		18			18	26
Ireland	24	2	21		1			3	13
Japan	95	31	64					16	17
Jersey	39	1	38					1	3
Netherlands	44		44						0
Norway	47	8	39					3	6
Portugal	10		10						0
Spain	407	17	386		4			20	5
Switzerland	809	124	685					118	15
United Kingdom	1,430	30	1,399		1			33	2
USA	1,726	168	1,521	14		21	2	270	16
Total	5,475	492	4,904	15	27	35	2	542	

"Against management"	% of votes "against management" of all votes
542 of 5,475 agenda items voted "against management"	10

¹⁰ Refers to proposals such as "Advisory vote on say-on-pay frequency", where we voted for an "annual" say-on-pay frequency.



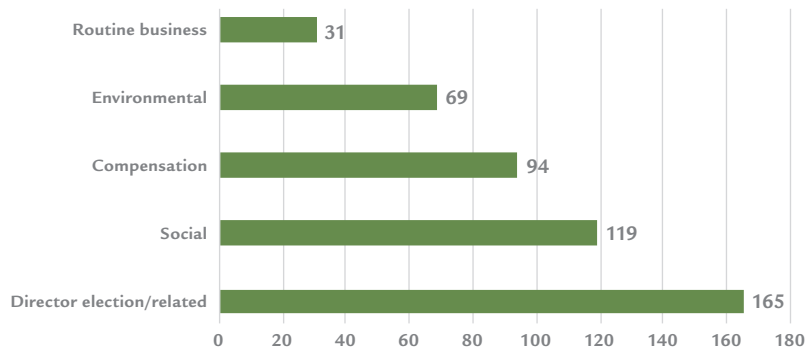
Source: Swiss Life Asset Managers

89.6% of the votes were “for” votes while 9% were “against” votes. Swiss Life Asset Managers voted “against management” on 10% of all items, while expressing the greatest opposition (in percentage) on shareholder rights (92%), environmental (51%) and social (46%) topics. These items are often shareholder proposals calling for more transparency on sustainability issues which we support, contrary to the company’s management recommendation.

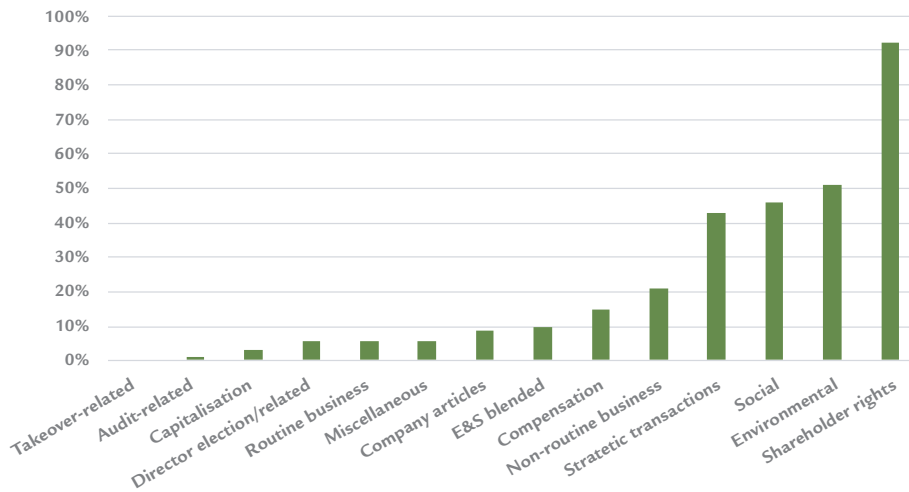
Categories	Agenda items voted	Agenda items voted “against management”	% of votes “against management”
Director election/related	2,869	165	6
Audit-related	333	2	1
Capitalisation	430	13	3
Company articles	85	8	9
Compensation	615	94	15
Shareholder rights to amend articles and to call for special meetings ¹¹	26	24	92
Strategic transactions	7	3	43
Takeover-related	80	0	0
Non-routine business	24	5	21
Routine business	499	31	6
E&S blended	58	6	10
Environmental	135	69	51
Social	261	119	46
Miscellaneous	53	3	6
Total	5,475	542	

¹¹ In this table, this category refers to proposals requesting the reduction of the ownership threshold for shareholders to call for special meetings and proposals requesting an adjustment to voting requirements for amending articles.

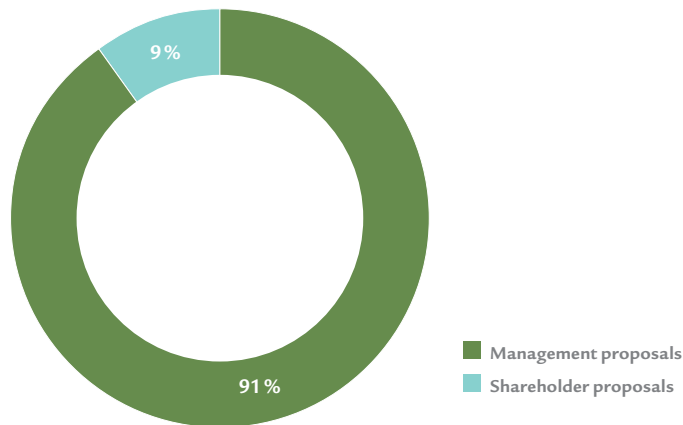
Number of agenda items voted against management (top 5)



% of “against management” votes by proposal categories



Of the total 5,475 agenda items voted on, we voted on 493 (9%) shareholder proposals and 4,982 (91%) management proposals



Analysis of votes concerning environmental and/or social items

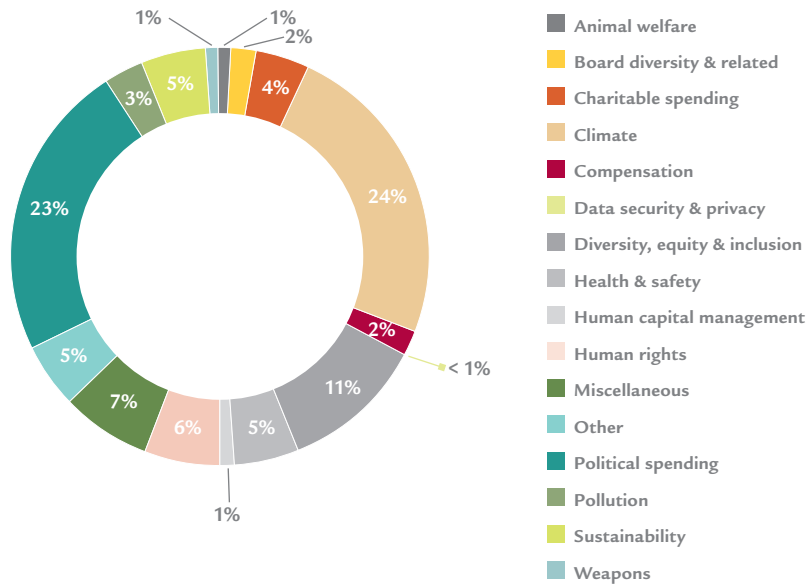
In our voting policy, we defined a focus on environmental and social items. Swiss Life Asset Managers conducts a case-by-case analysis of environmental and social voting items. In the table below we show the share of agenda items voted by ESG pillars and the % of agenda items where we voted “against management”.

Pillars	Agenda items voted	Agenda items voted “against management”	% of agenda items voted “against management”
E	135	69	51
E, S (combined)	58	6	10
E, S, G (combined)	11	1	9
G	5,002	345	7
S	261	119	46
S, G (combined)	8	2	25
Total	5,475	542	10

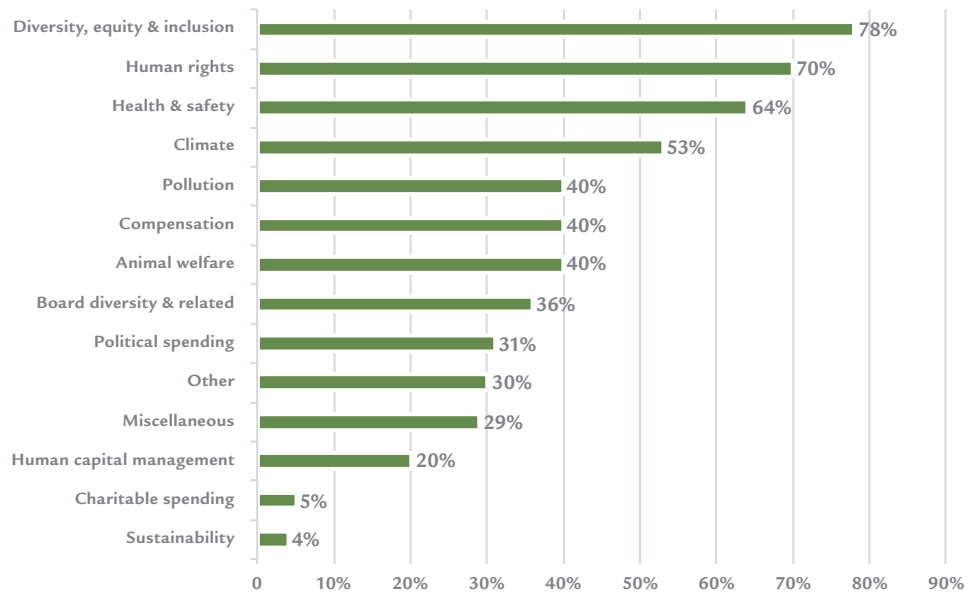
In the following table we excluded the “G” items and show a more detailed analysis of environmental or social topics. For those items, Swiss Life Asset Managers voted 42% “against Management”. As the figures show, Swiss Life Asset Managers records the highest level of “against management” votes on topics concerning the climate, human rights, health & safety as well as workforce diversity, equity & inclusion.

Categories	Agenda items voted	Agenda items voted “against management”	% of agenda items voted “against management”
Animal welfare	5	2	40
Board diversity & related	11	4	36
Charitable spending	21	1	5
Climate	112	59	53
Compensation	10	4	40
Data security & privacy	1	0	0
Diversity, equity & inclusion	50	39	78
Health & safety	25	16	64
Human capital management	5	1	20
Human rights	27	19	70
Political spending	108	33	31
Pollution	15	6	40
Sustainability	25	1	4
Weapons	3	0	0
Miscellaneous	31	9	29
Other	24	3	30
Total	473	197	42

Agenda items voted by environmental and social topics



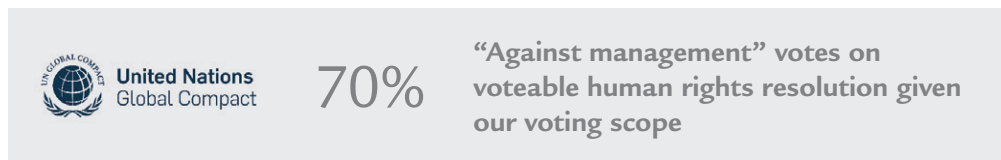
% of “against management” of all voteable proposals in the relevant category



Swiss Life Asset Managers is a signatory and an investor participant of Climate Action 100+. 43 voteable climate proposals were submitted at the AGMs of companies that are in the Climate Action 100+ focus list, and that we were shareholders of. We did not follow the management recommendation for 49% of these items, in order to express our wish to see more advanced climate strategies.



Furthermore, we called for greater transparency on investee companies’ policies and due diligence processes on human rights (70% “against management” votes on human rights-related topics). As part of the Swiss Life Group, which is a signatory of the UN Global Compact, we are committed to the principles related to human rights, labour, environment, and corruption. Raising our voice and exercising our votes on human rights topics allows us to exercise our leverage for additional transparency, if the company is involved in potentially controversial activities or is insufficiently transparent. Those disclosures provide us with relevant insights on the company’s alignment with the UN Global Compact principles and allow us to take preventive steps if we would detect any concerns.



Reasons to not support shareholder proposals on environmental and social topics

Swiss Life Asset Managers identified three main reasons to not support shareholder proposals on environmental and social topics:



For specific topics, when the board is in the best position to make the decision. This can include topics of business strategy, executive compensation, and the election of directors.



The companies already provide sufficient and adequate disclosures on the topic and the shareholder proposition would not produce any additional meaningful information.



The resolution is overly prescriptive (this includes deadlines that are too short to prepare disclosures or fixed quotas which are too stringent).

Reasons for the absence of votes on certain securities:

Swiss Life Asset Managers was unable to participate in 13 general meetings from its initial ESG scope due to delays or operational transmission problems.

Rationale for the votes, research and internal resources:

The voting decisions were based on the guidance provided by our external service provider Institutional Shareholder Services (ISS) and the research conducted by the Swiss Life Asset Managers ESG team. As regards environmental and social matters, the ESG team carefully assesses each resolution and issues voting recommendations to the fund managers. As for governance-related issues, we typically rely on the recommendations of our external service provider. The voting principles, process, and governance framework are all clearly defined in the voting policies of the respective fund managers of Swiss Life Asset Managers.

We follow a comprehensive stewardship approach to make informed decisions on voting matters. This approach involves a transdisciplinary process that incorporates the input from various internal stakeholders, including risk management, portfolio management, legal and compliance, and ESG experts. As part of this process, we conduct an annual review to establish voting guidelines prior to the voting season.



Throughout the voting season, we carefully analyse the research provided by third-party specialists and evaluate the practices, disclosures, and commitments of the companies in question. Our analysis of the voting items helps us to understand the rationales underlying the proposals within the context of the company's business strategy, activities, and sustainability challenges.

By voting in the best interests of our investors, we strive to fulfil our fiduciary duty. Our goal is to promote and safeguard the long-term value of our investee companies, ensuring a sound future for all stakeholders.



At Swiss Life Asset Managers, there are currently 1.5 FTEs working on proxy voting-related topics; 1 FTE works in the ESG team, and 0.5 FTEs are spread over different departments across the company.

Conflicts of interest:

To ensure the protection and primacy of clients' interests and to comply with applicable regulations, Swiss Life Asset Managers has established procedures to minimise conflicts of interest.

Exceptions to the voting policy:

Swiss Life Asset Managers complied with the principles it has set in its voting policy.

3.2 Proxy-voting 2022 case studies

During the past year, ESG issues were once again at the forefront of the agendas of investors and our investee companies. The 2022 voting season highlighted the increasing pressure to disclose credible climate transition strategies that encompass absolute targets, and which cover the scope 1, 2 and 3 GHG emissions of companies. Shareholder resolutions on this topic, as well as the emergence of "say on climate" proposals, have intensified the scrutiny placed on companies, leading to lower support levels for insufficiently ambitious climate transition plans.

Throughout the reporting year, we maintained our commitment to call for transparency and public commitment from our investee companies in addressing climate change. We refrained from supporting climate transition plans proposed by company management if they lacked sufficiently robust short-, medium- and long-term targets to align with the goals of the Paris Agreement. We supported the use of widely accepted standards such as the Task Force on Climate-related Financial Disclosures (TCFD) framework. Moreover, we endorsed resolutions that called for aligning net-zero efforts with the expectations outlined by the International Energy Agency (IEA) and the UN Intergovernmental Panel on Climate Change (IPCC), as well as resolutions urging the adoption of GHG emissions targets in accordance with the recommendations of the Science Based Targets initiative (SBTi).

Furthermore, we supported proposals seeking greater transparency when companies faced controversies on certain issues. We endorsed resolutions that demanded the disclosure of human rights due diligence efforts across the supply chain and the reporting on as well as third-party auditing of discrimination and workforce diversity. By encouraging investee companies to provide additional transparency and accountability in relation to potential controversies, Swiss Life Asset Managers aimed to enhance the assessment of the investee companies' non-financial risks and their alignment with international frameworks such as the UN Global Compact (UNGC).

3.2.1 Case study: Concerns about the climate transition plan of a global multi-energy company

A multi-energy company sought the opinion of shareholders on their climate transition plan and the progress made in implementing their sustainable development and energy transition objectives towards carbon neutrality. To assess the company's performance, we reviewed its Climate Action 100+ company assessment and analysed the ESG data of our third-party providers. Our findings indicated a misalignment between the company's commitments and a lack of sufficiently robust medium- and short-term targets to meet the goals of the Paris Agreement. Additionally, the company's recent investments in oil production facilities and pipelines contradict the International Energy Agency's conclusion that new projects in oil and gas production should be avoided in order to achieve the objectives of the Paris Agreement. These actions raise concerns regarding the company's transition to a low-carbon economy. As an investor, we support investment measures that contribute to the global goal of achieving net zero emissions by 2050. Considering the above-mentioned concerns about the company's climate transition plan, we voted against the management proposal to approve their climate transition plan.

3.2.2 Case study: Incentivising a Norwegian oil and gas company to publish greenhouse gas emissions targets on an absolute basis

A shareholder resolution was submitted at a Norwegian oil and gas company's 2022 AGM, with the request to disclose quantitative targets which cover short-, medium- and long-term greenhouse gas emissions on an absolute basis. The aim of these targets is to obtain additional transparency regarding efforts to limit global warming to well below 2°C above pre-industrial levels and to limit the temperature increase to 1.5°C. The company publishes intensity-specific targets rather than absolute ones, and this is a particular concern due to the company's intentions to grow its oil and gas business. Swiss Life Asset Managers voted against the management recommendation, as the proposal of the shareholder aims to bring strengthening features in the form of absolute reduction targets and downscaling of fossil fuel exploration to the company's transition plan without being too prescriptive.

3.2.3 Case study: Consumer electronics and human rights concerns at a US company

Shareholders of a large US consumer electronics and software services company submitted a proposal to oversee the preparation and publication of a report which aimed at providing transparency on the extent to which the company's policies and procedures effectively protect workers in its supply chain from forced labour, including the extent to which the company has identified suppliers and sub-suppliers that are at significant risk of forced labour violations, the number of suppliers against which the company has taken corrective action due to such violations, and the availability and use of remediation and compensation mechanisms for affected workers. Given the controversies the company faced regarding its participation in the Chinese government's forced labour programme, the effectiveness of the policies and processes is questionable, and further transparency will help investors to assess the regulatory and reputational risks the company may face. Swiss Life Asset Managers is a signatory of the UN Global Compact and is committed to eliminate all forms of forced and compulsory labour. Therefore, we voted against management recommendations and supported the shareholders' proposal to gain additional insights into the companies' policies and process to protect workers from such violations.

4 Outlook

At Swiss Life Asset Managers, our major focus is to continue the efforts started in 2022 in building an overarching robust and credible active stewardship framework that enables us, as asset manager, to implement our sustainability ambition of mitigating climate change and biodiversity loss, while empowering people and fostering business integrity. For that, for all our asset classes, including securities, we will continue working on the enhancement of the defined five pillars of our active stewardship framework: governance, engagement activities, voting activities, collaborative initiatives, and disclosure and reporting.

In relation to securities specifically, the recently established Securities Engagement Committee will strengthen our governance by owning and defining the standards for active stewardship and managing ESG-related risks across different securities classes and setting a consistent approach with our ambition in terms of sustainability. In terms of expertise and human resources, the team will be expanded with an additional dedicated ESG engagement specialist to reinforce our internal capacity. On the voting activities, we are currently working on the review of our voting policies, with the goal of improving our ESG analysis on the votes and providing a higher level of transparency in our voting guidelines. On the engagement activities with companies, the focus will be to expand the number of dialogues, including more interactions with green bond issuers to strengthen their analysis and investment process, while ensuring full alignment with our defined engagement themes and priorities.

Appendix 1: additional relevant publications

This Report is related to the following additional publications from Swiss Life Asset Managers:

- [Active Stewardship Report for Securities 2021](#)
- [Responsible Investment Policy](#)
- [Responsible Investment Report 2022](#)
- [Proxy Voting Dashboard \(VDS\)](#)
- [Voting policies](#)

Appendix 2: funds in scope of voting activities

This Report includes a consolidated view of Swiss Life Asset Managers' voting instructions. Please find below all of Swiss Life Asset Managers' funds in scope of our voting activities¹²:

Fund name	Management entity
Swiss Life Funds (F) Equity ESG Europe Minimum Volatility	Swiss Life Asset Managers in France
Swiss Life Funds (F) Equity ESG Euro Zone Minimum Volatility	Swiss Life Asset Managers in France
Swiss Life Funds (F) Equity ESG USA Low Carbon	Swiss Life Asset Managers in France
Swiss Life Funds (F) Equity ESG World Low Carbon	Swiss Life Asset Managers in France
Swiss Life iFunds (CH) Equity Switzerland CHF	Swiss Life Asset Managers in Switzerland
Swiss Life iFunds (CH) Equity ESG Global ex Switzerland (CHF)	Swiss Life Asset Managers in Switzerland
Swiss Life iFunds (CH) Equity Switzerland Small & Mid Cap (CHF)	Swiss Life Asset Managers in Switzerland
Swiss Life Funds (CH) Equity Global Protect Enhanced (CHF hedged)	Swiss Life Asset Managers in Switzerland
Swiss Life Funds (CH) Equity Switzerland Protect Enhanced	Swiss Life Asset Managers in Switzerland
Swiss Life Funds (LUX) Multi Asset ESG Moderate	Swiss Life Asset Managers in France
Swiss Life Funds (LUX) Equity Environment & Biodiversity Impact	Swiss Life Asset Managers in France
Swiss Life Funds (LUX) Multi Asset ESG Growth	Swiss Life Asset Managers in France
Swiss Life Funds (LUX) Multi Asset ESG Balanced	Swiss Life Asset Managers in France
Swiss Life Funds (LUX) Equity Green Buildings & Infrastructure Impact	Swiss Life Asset Managers in France
Swiss Life Funds (LUX) Portfolio Global Growth (CHF)	Swiss Life Asset Managers in Switzerland
Swiss Life Funds (LUX) Equity ESG Euro Zone	Swiss Life Asset Managers in France
Swiss Life Funds (LUX) Equity ESG Global High Dividend	Swiss Life Asset Managers in France
Swiss Life Funds (LUX) Equity USA	Swiss Life Asset Managers in Switzerland
Swiss Life Funds (LUX) Equity ESG Global	Swiss Life Asset Managers in Switzerland
Swiss Life Funds (LUX) Equity Global Minimum Volatility	Swiss Life Asset Managers in France
Swiss Life Funds (LUX) Equity Global Protect	Swiss Life Asset Managers in Switzerland
Swiss Life Funds (LUX) Income Equity Euro Zone	Swiss Life Asset Managers in France
Swiss Life Funds (LUX) Equity Climate Impact	Swiss Life Asset Managers in Switzerland
Swiss Life Funds (LUX) Equity Global Long/Short	Swiss Life Asset Managers in Switzerland

¹² Note that client mandates are not in the scope of our voting activities, unless there are clear instructions from the client for Swiss Life Asset Managers to exercise voting rights, in which case that activity is included in this Report.

Contact

Swiss Life Investment Management Holding AG
General-Guisan-Quai 40
P.O. Box
CH-8022 Zurich
Tel.: +41 43 284 77 09
www.swisslife-am.com

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*Comprehensive information on the funds mentioned in this report can be found in the documents which form the legal basis for any investment. They may be ordered free of charge in electronic or printed form from the fund management company or its representative: | **CH:** Swiss Life Asset Management AG, General-Guisan-Quai 40, P. O. Box 2831, 8002 Zurich, payment office: UBS AG, Bahnhofstrasse 45, 8001 Zurich | **F:** Swiss Life Asset Managers France, 153, rue Saint-Honoré, 75001 Paris | **LUX:** Swiss Life Asset Managers Luxembourg – 4a, rue Albert Borschette – L-1246 Luxembourg – Grand Duchy of Luxembourg; or on www.swisslife-am.com. The domicile of the funds is the Grand Duchy of Luxembourg, France or Switzerland.*

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